

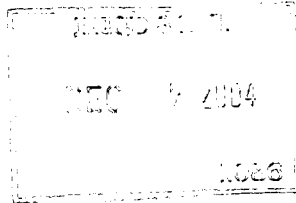
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ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.



04051518



OMB APPROVAL

OMB Number: 3235-0076

Expires: May 31, 2005

Estimated average burden hours per response... 1

SEC USE ONLY

Prefix

Serial

DATE RECEIVED

FORM D

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6), AND/OR
UNIFORM LIMITED OFFERING EXEMPTION**

PROCESSED
DEC 09 2004
THOMSON FINANCIAL

Name of Offering (check if this is an amendment and name has changed, and indicate change.)

PREFERRED STOCK OFFERING OF ACA CAPITAL HOLDINGS, INC.

Filing Under (Check box(es) that apply): ☐ Rule 504 ☐ Rule 505 ☒ Rule 506 ☐ Section 4(6) ☐ ULOE

Type of Filing: ☒ New Filing ☐ Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer (check if this is an amendment and name has changed, and indicate change.)

ACA Capital Holdings, Inc.

Address of Executive Offices/Telephone Number **140 Broadway, New York, NY 10004 (212) 375-2000**

A. BASIC IDENTIFICATION DATA

Address of Principal Business Operations (Number and Street, City, State, Zip Code) Telephone Number (Incl. Area Code)
(if different from Executive Offices)

Brief Description of Business

ACA Capital Holdings, Inc. is a Delaware corporation that operates through its subsidiaries to (i) provide insurance on municipal bonds that guarantees the timely payment of interest and principal and (ii) participate in the market for structured finance products called collateralized debt obligations.

Type of Business

Organization

☒ corporation ☐ limited partnership, already formed ☐ other (please specify):
☐ business trust ☐ limited partnership, to be formed

Actual or Estimated Date of Incorporation or Organization:	Month Year	
tion: (Enter two-letter U.S. Postal Service abbreviation for State: CN for Canada; FN for other foreign jurisdiction)	[o] [9] [o] [4]	[X] Actual [] Estimated
	[D] [E]	

GENERAL INSTRUCTIONS

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When to File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix in the notice constitutes a part of this notice and must be completed.

A. BASIC IDENTIFICATION DATA

c. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: ☐ Promoter ☒ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)
Chestnut Hill ACA, LLC

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o GCC Investments, Inc., 60 William Street, Suite 230, Wellesley, MA 02481

Check Box(es) that Apply:	<input type="checkbox"/> Promoter	<input checked="" type="checkbox"/> Beneficial Owner	<input type="checkbox"/> Executive Officer	<input type="checkbox"/> Director	<input type="checkbox"/> General and/or Managing Partner
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Full Name (Last name first, if individual)
Stephens Group, Inc.

Business or Residence Address (Number and Street, City, State, Zip Code)
111 Center Street, Little Rock, AR 72201

Check Box(es) that Apply: ☐ Promoter ☒ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)
Third Avenue Trust

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Third Avenue Value Fund, 622 Third Avenue, 32nd Floor, New York, NY 10017

Check Box(es) that Apply: ☐ Promoter ☒ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)
Insurance Partners, L.P.; Insurance Partners Offshore (Bermuda), L.P.; IP/MCLP, L.L.C. *

* These 3 investors may be deemed to own beneficially in the aggregate more than 10% of the voting power of Issuer's capital stock.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Capital Z Partners, Ltd., 54 Thompson Street, New York, NY 10012

A. BASIC IDENTIFICATION DATA

Check Box(es) that ☐ Promoter ☒ Beneficial ☐ Executive ☐ Director ☐ General and/or
Apply: Owner Officer Managing Partner

Full Name (Last name first, if individual)
BSMB/ACA LLC

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o Bear Stearns Merchant Manager II, LLC

c/o Bear, Stearns & Co. Inc., 383 Madison Avenue, 40th Floor, New York, NY 10179

Check Box(es) that ☐ Promoter ☒ Beneficial ☐ Executive ☐ Director ☐ General and/or
Apply: Owner Officer Managing Partner

Full Name (Last name first, if individual)
Jensen, Curtis

Business or Residence Address (Number and Street, City, State, Zip Code)
Third Avenue Trust, c/o Third Avenue Value Fund, 622 Third Avenue, 32nd Floor, New York, NY 10017

Check Box(es) that ☐ Promoter ☒ Beneficial ☐ Executive ☐ Director ☐ General and/or
Apply: Owner Officer Managing Partner

Full Name (Last name first, if individual)
Kouvaris, Demos

Business or Residence Address (Number and Street, City, State, Zip Code)
Chestnut Hill ACA, LLC, c/o GCC Investments, Inc., 60 William Street, Suite 230, Wellesley, MA 02481

Check Box(es) that ☐ Promoter ☐ Beneficial ☒ Executive ☒ Director ☐ General and/or
Apply: Owner Officer Managing Partner

Full Name (Last name first, if individual)
Roseman, Alan S.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☐ Beneficial ☒ Executive ☒ Director ☐ General and/or
Apply: Owner Officer Managing Partner

Full Name (Last name first, if individual)
Gilpin, Edward U.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

A. BASIC IDENTIFICATION DATA

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☒ Executive Officer ☐ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Tomljanovic, William T.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☒ Executive Officer ☐ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Selles, Ruben

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☒ Executive Officer ☐ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Dahlman, Nora J.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☒ Beneficial Owner ☐ Executive Officer ☒ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Berylson, John

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☒ Beneficial Owner ☐ Executive Officer ☒ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Barse, David

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☒ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Juneja, Robert

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

A. BASIC IDENTIFICATION DATA

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☒ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
King, David E.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☒ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Steinberg, Robert

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☒ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Jacobs, Douglas L.

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

Check Box(es) that ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☒ Director ☐ General and/or Managing Partner
Apply:

Full Name (Last name first, if individual)
Stephens, Warren

Business or Residence Address (Number and Street, City, State, Zip Code)
c/o ACA Capital Holdings, Inc., 140 Broadway, New York, NY 10004

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? Yes No
[] [X]

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual? \$ NONE

3. Does the offering permit joint ownership of a single unit? Yes No
[] [X]

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only. NONE
-

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers
(Check "All States" or check individual States)..... [] All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
[IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
[MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
[RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers
(Check "All States" or check individual States)..... [] All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
[IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
[MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
[RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OR PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box ☐ and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Amount	Total Amount of Purchase Price
Debt	\$ <u>0</u>	\$ <u>0</u>
Equity	\$ <u>0</u>	\$ <u>0</u>

☒ Underlying shares of Common Stock, par value \$.10 per share, to be issued upon conversion of Series B Senior Convertible Preferred Stock ("Series B Stock").

☒ Convertible Preferred Stock, par value of \$.10 per share.

Convertible Securities, as follows:

- Series B Stock issued in this offering
- Series C Senior Convertible Preferred Stock ("Series C Stock") issued in this offering
- Shares of Series B Stock *to be issued* upon conversion of the Series C Stock

	\$ <u>1,133,989.16</u>	\$ <u>1,133,989.16</u>
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.....
Partnership Interests

	\$ <u>0</u>	\$ <u>0</u>
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Other

(Specify _____).

	\$ <u>0</u>	\$ <u>0</u>
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Total

	\$ <u>1,133,989.16</u>	\$ <u>1,133,989.16</u>
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Answer also in Appendix, Column 3, if filing under ULOE.

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OR PROCEEDS

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "o" if answer is "none" or "zero."

	Number of Investors	Aggregate Purchase Price
Accredited Investors	<u>13</u>	<u>\$1,133,989.16</u>
Non-accredited Investors	<u>o</u>	<u>\$ o</u>
Total (for filings under Rule 504 only)	<u>o</u>	<u>\$ o</u>

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505	<u>N/A</u>	<u>N/A</u>
<u>Regulation A</u>	<u>N/A</u>	<u>N/A</u>
Rule 504	<u>N/A</u>	<u>N/A</u>
Total	<u>N/A</u>	<u>N/A</u>

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	<input type="checkbox"/> \$ <u>o</u>
Printing and Engraving Costs	<input type="checkbox"/> \$ <u>o</u>
Legal Fees	<input checked="" type="checkbox"/> \$ <u>15,000</u>
Accounting Fees	<input type="checkbox"/> \$ <u>o</u>
Engineering Fees	<input type="checkbox"/> \$ <u>o</u>
Sales Commissions (specify finders' fees separately)	<input type="checkbox"/> \$ <u>o</u>
Other Expenses (identify)	<input type="checkbox"/> \$ <u>o</u>
Total	<input checked="" type="checkbox"/> \$ <u>15,000</u>

- b. Enter the difference between the aggregate offering price given in response to Part C- Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

All expenses were
paid out of available
cash capital.

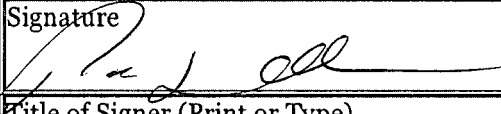
C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OR PROCEEDS

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

	Payment to Officers, Directors & Affiliates	Payment To Others
Salaries and fees.....	[] \$ <u>o</u>	[] \$ <u>o</u>
Purchase of real estate.....	[] \$ <u>o</u>	[] \$ <u>o</u>
Purchase, rental or leasing and installation of machinery and equipment	[] \$ <u>o</u>	[] \$ <u>o</u>
Construction or leasing of plant buildings and facilities	[] \$ <u>o</u>	[] \$ <u>o</u>
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger) ...	[] \$ <u>o</u>	[] \$ <u>o</u>
Repayment of indebtedness	[] \$ <u>o</u>	[] \$ <u>o</u>
Working capital and other corporate purposes.....	[] \$ <u>o</u>	[] \$ <u>1,133,989.16</u>
Other:.....	[] \$ <u>o</u>	[] \$ <u>o</u>
Column Totals.....	[] \$ <u>o</u>	[] \$ <u>1,133,989.16</u>
Total Payments Listed (column totals added).....		\$ <u>1,133,989.16</u>

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) ACA Capital Holdings, Inc.	Signature 	Date December 6, 2004
Name of Signer (Print or Type) Nora J. Dahlman	Title of Signer (Print or Type) Managing Director, General Counsel and Secretary	

ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? Yes [] No []

THIS IS NOT AN OFFERING UNDER REGULATION A OR ULOE, AND THESE PROVISIONS NOTED IN PART E – QUESTION 1 ARE NOT APPLICABLE TO RULE 506 OFFERINGS OF FEDERAL COVERED SECURITIES UNDER THE PROVISION OF SECTION 18(b)(4)(D) OF THE SECURITIES ACT OF 1933, AS AMENDED BY NSMIA.

See Appendix, Column 5, for state response.

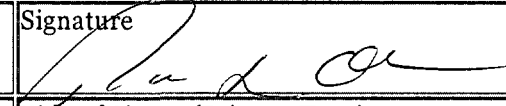
2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239,500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.

AS PROVIDED BY THE PROVISIONS OF SECTION 18(b)(4)(D) OF THE SECURITIES ACT OF 1933, AS AMENDED BY NSMIA.

4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

THIS IS NOT AN OFFERING UNDER ULOE, AND THEREFORE, IS NOT APPLICABLE TO RULE 506 OFFERINGS OF FEDERAL COVERED SECURITIES UNDER THE PROVISION OF SECTION 18(b)(4)(D) OF THE SECURITIES ACT OF 1933, AS AMENDED BY NSMIA.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type) ACA Capital Holdings, Inc.	Signature 	Date December 6, 2004
Name of Signer (Print or Type) Nora J. Dahlman	Title of Signer (Print or Type) Managing Director, General Counsel and Secretary	

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (rounded) (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors (13)	Amount	Number of Non-Accredited Investors	Amount	Yes	No
NJ		X	\$1,133,989.16 of Series B and C Preferred Stock shares 3,451.5973 Series C shares	3 – Series C Investors	\$215,000	0	0		N/A
NY		X	4,704 Series B shares 6,838.6076 Series C shares	1 – Series B Investor 8 – Series C Investors	Series B - \$293,012.16 Series C - \$ 425,977	0	0		N/A
RI		X	3,210.7882 Series C shares	1 – Series C Investor	\$200,000	0	0		N/A

CLOSING OF PREFERRED STOCK OFFERING NOVEMBER 23, 2004